

# City of St. Louis

## Community Development Administration

Notice of Funding Availability  
Fall 2014

Workshop Presentation – October 10, 2014

# Introduction to CDA

- CDA is an agency of the City of St. Louis
- CDA administers federal funding received by HUD
- CDA conducts programs according to a  
5-year Consolidated Plan
- CDA partners with other government agencies, non-profit organizations, and private firms
  - Housing Development & Historic Preservation
  - Home Repair
  - Business & Economic Development
  - Public Facility Improvements
  - Social Service Programs

# Housing Production Funds - Sources

CDA receives an allocation of funding from HUD to assist the financing of residential real estate development efforts.

- **Community Development Block Grant (CDBG)**

- Market-rate housing developments
- Annual allocation

- **HOME Investment Partnership (HOME)**

- Housing for low- and moderate-income households
- Annual allocation

- **Neighborhood Stabilization Program (NSP)**

- Redevelopment of foreclosed properties
- Housing for low- and moderate- and middle-income households
- One-time allocation

# Housing Production Funds – Uses

- **Development Gap Subsidy**

The difference between a completed project's appraised value and the total development cost needed to conduct that project.

- **Bridge Loan Financing**

Construction period financing secured by a future permanent financing source, such as tax credits.

- **Homebuyer Affordability Assistance**

Forgivable loan to be used for down-payment or mortgage buy-down.

# Notice of Funding Availability (NOFA)

CDA intends to award up to  
**\$4,000,000**  
in CDBG development assistance  
this funding round.

# Market Value Analysis (MVA)

[www.stlouis-mo.gov/mva](http://www.stlouis-mo.gov/mva)

- Statistical Tool
  - Residential Market Data
  - Classification of City Areas
    - Clusters of Shared Characteristics
- Targeted Housing Resources
  - Prioritize Areas
  - Identify Strategies
  - Direct Investment

# NOFA Priority Areas

- Prioritize CDA funds in areas where public assistance will be the most effective
  - Identify neighborhood needs
  - Build upon area strengths
  - Concentrated investment strategy
  - Leverage public funds
    - » Independent development efforts
    - » Other available project financing

All areas of the City are eligible to receive CDA housing production financing!

# Request for Proposals (RFP)

## **CDA-financed, LRA-owned**

- Existing Inventory
- Acquired with CDBG or NSP
- New Construction and Rehab Opportunities
- Models Previous RFP Process



# Priority List of Properties

CDA activities with HUD-imposed, time-sensitive deadlines. Completion of these projects are top CDA priorities.

- Existing Inventory
- Acquired with CDBG or NSP
- New Construction and Rehab Opportunities

# Eligible Applicants

- Private, for-profit developers
- Non-profit, active housing organizations
  - CHDOs
  - CBDOs
  - Neighborhood Development Organizations

# Ineligible Applicants

- Individuals or entities who have defaulted on a previous CDA loan
- Development team consisting of members, partners, or affiliates (including consultants) who have been debarred by HUD and listed on System for Award Management (SAM.gov)

# Eligible Projects

- For-Sale Housing Developments
- Rental Housing Developments
- Mixed-Use Developments
- Rehabilitation
- New Construction
  - Avoidance of demolition where possible is preferred

# RFP Property Access

Coordinate with LRA for access to properties owned by LRA.

- Signed waiver required
- No viewings after 5:00<sub>PM</sub> on October 31, 2014

LRA Staff is not available to answer questions regarding the NOFA process or related regulations and guidelines.

# Required Application Materials

The NOFA includes a Checklist of Required Items:

- **Applicant/Organization Profile**
- **Summary of Proposed Project**
- **Complete CDA Application Spreadsheet**
  - Sections should be clearly marked and in checklist order
  - One completed digital copy must be provided
  - One copy with original signatures, in three-ring binder
  - Three backup copies for evaluation & review

# Application Materials (continued)

## **Applicant/Organization Profile**

- Development Team & Experience
  - Organizational Chart
  - Articles of Incorporation
  - Business License
  - Certificate of Corporate Good Standing
  - Conflict of Interest Disclosure Statement

# Application Materials (continued)

Additional Profile Documents May Apply:

- Proof of Non-Profit Status
- Non-Profit By-Laws
- Roster of Board Members
- CHDO/CBDO Certification Letters
- Development Partnership Agreements



# Application Materials (continued)

## Summary of Proposed Project

- Preliminary Schematic Plans  
Site Plan, Elevations, and Floorplans
- Market Analysis or Independent Appraisal
- Letter of Interest from Construction Lender or  
Proof of Funds (Developer Equity)
- Evidence of Site Control (unless LRA-owned)  
Deed/Title, Contract, or Option

# Evaluation & Rating Procedure

All applications submitted will be processed.

- Eligibility and Completeness Review

Proposals determined to be ineligible or incomplete will be returned to applicant and not evaluated further.

- CDA Selection Committee

Proposals will be rated by six members of CDA staff with residential development financing experience. Individual ratings will be averaged for an application's final score.

# CDA Compliance Information & Underwriting Guidelines

- Income Limits
- Maximum Per-Unit Subsidy Limits
- Development Cost Standards
  - Developer Fees
  - Contractor Profit & Overhead
  - Contingency
- Cost Allocation/Leveraged Resources
- Explain Aberrations/Deviations

### St. Louis CDA For Sale Housing Production Program For Sale Housing Production: Compliance Information & Underwriting Guidelines

Project Number: \_\_\_\_\_

Household Size (persons)		100% AMI (Approximate)	HOME 80% HUD AMI Income Limit	NSP 120% AMI Income Limit
1		\$47,000	\$37,800	\$56,350
2		\$53,750	\$43,000	\$64,400
3		\$60,438	\$48,350	\$72,450
4		\$67,125	\$53,700	\$80,500
5		\$72,500	\$58,000	\$86,950
6		\$77,875	\$62,300	\$93,400
			last updated:	May 2014

HOME Sales Price Limits  
(Does not apply for NSP, CDBG)

203(b) Maximum HOME Sale Price Limits

# of Units in Home	Existing Homes/Rehab	New Homes	Proposed Project Average Sale Price
Single Family	\$131,000	\$195,000	
2 Family (duplex)	\$168,000	\$249,000	
3 Family (triplex)	\$203,000	\$302,000	#DIV/0!
4 Family (quad)	\$252,000	\$374,000	
		last updated:	January 2014

HOME Subsidy Limits

221(d)(3) Per Unit Subsidy Limits	Bedrooms	# of Units in Project	221(d)(3) Limit/Unit	Gross Subsidy Limit
	0		\$149,415	\$0
	1		\$171,283	\$0
	2		\$208,278	\$0
	3		\$269,444	\$0
	4		\$295,766	\$0
		last updated:	0	\$0
		January 2012	Requested HOME Funds (Local & State)	\$0
			HOME Requested Within limits?	YES

Development Costs Standards

	Minimum	Maximum	Notes	Project #s	Within Limits?
<b>Construction Contingency</b>					
New Construction	5.0%	7.5%	of Construction Costs - recommendation only	-	-
Rehab	7.5%	10.0%	of Construction Costs - recommendation only	-	-
<b>Developer Fee</b>					
New Construction	na	12.0%	of TDC (excluding Dev Fee itself)	-	-
Rehab	na	15.0%	of TDC (excluding Dev Fee itself)	-	-
<b>Contractor's Fees</b>					
Profit	na	8.0%	of Construction Costs (excluding profit)	#DIV/0!	#DIV/0!
Overhead	na	2.0%	of Construction Costs (excluding overhead)	#DIV/0!	#DIV/0!
General Conditions	na	6.0%	of Construction Costs (excluding gen. cond.)	#DIV/0!	#DIV/0!
TDC = Total Development Costs					

Underwriting Standards

	Minimum	Maximum Allowed	Notes	Project #s	Within Limits?
Construction Loan LTV	na	80.0%	Goal for CDA Construction Loans	#DIV/0!	#DIV/0!
Maximum Development Subsidy		50.0%	of TDC	#DIV/0!	#DIV/0!
Direct Assistance to Buyers	\$3,000	Up to 20% of Sale Price	To maintain housing-to-income ratio.		
Buyer Housing-to-Income Ratio	20.0%	30.0%	CDBG/Acquisition projects may not be eligible.	Verify for each buyer	

HOME Compliance (assumes CDA funding source is HOME - Disregard if another source is used.)

HOME Units & Investment

Total Development Costs	\$0		Total HOME Units	Low HOME Units
Total Units	0		Minimum Required	#DIV/0!
HOME Assisted Units			Const. Loan + Dev. Subsidy + Homebuyer Subsidy + State HOME	
Total HOME Investment	\$0			
HOME Construction Loan	\$0		#DIV/0! of TDC	
HOME Development Subsidy	\$0		#DIV/0! of Sale Price	
HOME Direct Homebuyer Subsidy	\$0			
HOME from State	\$0			
Total HOME Investment per HOME Unit	#DIV/0!		#DIV/0! of TDC	
HOME Direct Homebuyer Subsidy per HOME Unit	#DIV/0!			
Minimum Affordability Period	#DIV/0!		Based on Avg. Direct Buyer Subsidy/Unit	

Overall HOME Subsidy Layering Analysis

Minimum Total HOME Investment	\$0	\$5,000 per unit, per local guidelines
Maximum Total HOME Investment Allowed	\$0	See "Subsidy Limits" table above.
Is HOME Investment within HUD limits?	Yes	
HOME Leverage:	#DIV/0!	Amount leveraged for every HOME dollar

### St. Louis CDA Rental Production Application/Proforma RENTAL COMPLIANCE CHECKS For CDA Staff Use

Project: 0					
Project Number: 0					
<b>Underwriting Standards</b>					
Vacancy Rate	Target	7.0%	Approximate #	7.0%	If outside standards, briefly explain:
Rent Inflation Rate Years 1-3	2.0%	1.0%			
Rent Inflation Rate Years 4+	2.0%	2.0%			
Inflation Rates for:	Administrative	3.0%	3.0%		
Operating	Operating/Maint.	3.0%	3.0%		
Utilities	Utilities	3.0%	3.0%		
Tenants/Insurance	Tenants/Insurance	3.0%	3.0%		
Replacement Reserve - Rehab	\$325	#DIV/0!			
Replacement Reserve - New Construction	\$275	#DIV/0!			
Annual Operating Costs Per Unit	\$3,500	#DIV/0!			
Debt Coverage Ratio Year 1	1.25	#DIV/0!			
DCR Throughout Compliance Period	1.00	#DIV/0!			
<b>Household Income Limits:</b>					
City of St. Louis, Missouri					
Household Size					
Targeted Income	1	2	3	4	5
30% AMI	\$14,150	\$16,150	\$18,150	\$20,150	\$22,150
40% AMI	\$18,800	\$21,480	\$24,160	\$26,840	\$29,520
50% AMI	\$23,500	\$26,950	\$30,400	\$33,850	\$37,300
60% AMI	\$28,200	\$32,220	\$36,240	\$40,260	\$44,280
70% AMI	\$32,900	\$37,400	\$41,900	\$46,400	\$50,900
80% AMI	\$37,600	\$43,000	\$48,500	\$54,000	\$59,500
90% AMI	\$42,300	\$48,400	\$54,500	\$60,600	\$66,700
100% AMI	\$47,000	\$53,700	\$60,400	\$67,100	\$73,800
last updated: May 2014					
<b>HOME Rent Limits</b>					
CDA GROSS Rent Limits					
0 Bedrooms	\$558	\$558	\$1,409		
1 Bedroom	\$631	\$631	\$1,509		
2 Bedrooms	\$702	\$702	\$1,611		
3 Bedrooms	\$815	\$815	\$1,863		
4 Bedrooms	\$1,021	\$1,021	\$2,335		
last updated: May 2014					
<b>Development Costs Standards</b>					
	Minimum	Maximum	Notes	Project #s	Within Limits?
<b>Construction Contingency</b>					
New Construction	5.0%	7.5%	of Construction - recommendation only	-	-
Rehab	7.5%	10.0%	of Construction - recommendation only	-	-
<b>Developer Fee</b>					
New Construction	na	12.0%	of TDC (excluding Dev Fee itself)	-	-
Rehab	na	15.0%	of TDC (excluding Dev Fee itself)	-	-
<b>Contractor's Fees</b>					
Profit	na	8.0%	of Construction Costs (excluding profit)	#DIV/0!	#DIV/0!
Overhead	na	2.0%	of Construction Costs (excluding overhead)	#DIV/0!	#DIV/0!
General Conditions	na	6.0%	of Construction Costs (excluding gen. cond.)	#DIV/0!	#DIV/0!
TDC = Total Development Costs					
<b>Underwriting Standards</b>					
	Minimum	Maximum	Notes	Project #s	Within Limits?
Construction Loan LTV	na	80.0%	For CDA Construction Loans beyond Development Subsidy amount.	#DIV/0!	#DIV/0!
<b>HOME Cost Allocation &amp; Compliance</b>					
Total Development Costs	\$0				
Total HOME Funds Requested	\$0		Includes State & Local HOME Funds		
HOME Subsidy as % of Total Development Costs	#DIV/0!				
Total Units in Project	0				
<b>Required HOME Units</b>					
# of HOME-Assisted Units	#DIV/0!		#HOME Units Available		
# of Low HOME Units Required	#DIV/0!		Agreed to be Available		
HOME Subsidy Per Unit	#DIV/0!		Min Low HOME:		
Minimum HOME Affordability Period	#DIV/0!				
<b>Breakdown of HOME Units Required by Bedroom Type:</b>					
Bedrooms	# of Units	HOME as % TDC	Required HOME Units (Estimated)		
0 Bedroom	0	#DIV/0!	#DIV/0!		
1 Bedroom	0	#DIV/0!	#DIV/0!		
2 Bedroom	0	#DIV/0!	#DIV/0!		
3 Bedroom	0	#DIV/0!	#DIV/0!		
4 Bedroom	0	#DIV/0!	#DIV/0!		
Total	0	Rounded Total:	#DIV/0!		
<b>Actual Breakdown of HOME Units:</b> (Must match or exceed requirements listed above.)					
Bedroom Type	# High HOME Units	# Low HOME Units	Total		
0 Bedroom	0	0	0		
1 Bedroom	0	0	0		
2 Bedroom	0	0	0		
3 Bedroom	0	0	0		
4 Bedroom	0	0	0		
Total	0	0	0		
<b>HOME Subsidy Limits:</b>					
Bedroom Type	# Units	HUD HOME 221(d)(3)	Gross Maximum Subsidy		
0 Bedroom	0	\$149,415	\$0		
1 Bedroom	0	\$171,283	\$0		
2 Bedroom	0	\$208,278	\$0		
3 Bedroom	0	\$269,444	\$0		
4 Bedroom	0	\$295,766	\$0		
Maximum HOME Subsidy Allowed					
HOME Funds Requested			\$0		
Within Limits?			Yes		

# Additional Proposal Considerations

- NSP properties with strict completion deadlines
- Multiple City-owned properties
- Coordinated neighborhood efforts
- Construction standards that exceed Energy Star
- Mixed-income housing environments
- Proximity to public transportation
- Strong community support

# Important NOFA Dates

<b>Release Date:</b>	<b>September 26, 2014</b>
<b>Workshop Date:</b>	<b>October 10, 2014</b>
<b>Date/Time Inspection Period Ends:</b>	<b>October 31, 2014 – 5pm</b>
<b>Date/Time NOFA Closes:</b>	<b>November 7, 2014 – 4pm</b>
<b>Funding Award Notice Date:</b>	<b>December 3, 2014</b>

# Additional Regulations & Guidelines

- Section 106 Review
- MSD Review
- Environmental Assessment
- Lead-Safe Housing
- Radon Clearance
- Energy Star Certification

# Additional Regulations & Guidelines (continued)

- MBE/WBE Participation
  - 25% MBE Utilization & 5% WBE Utilization
- Section 3
  - CDA funding greater than \$100,000
- Davis-Bacon
  - CDBG or NSP: 8 or more units
  - HOME: 12 or more units



# Additional Regulations & Guidelines – Rental Projects

- Property Management Plan
- Operating Budget
- Capital Needs Assessment (CNA)
- Affirmative Fair Housing Marketing Plan

# Notification of Awards

**CDA will announce its selections and funding awards for the Fall 2014 NOFA on December 3.**

All respondents will receive written notification of their status and ranking, as applicable. CDA will also publish a list of all funding awards and recipients on its website:

**[www.stlouis-mo.gov/cda](http://www.stlouis-mo.gov/cda)**

# Equal Opportunity Employer

**The funding of this program is financed in part through a grant from the Department of Housing and Urban Development and the Community Development Administration under the provisions of Title I of the Housing and Community Development Act of 1974 (P.L. 93-383).**



# Contact Information

City of St. Louis  
Community Development Administration  
ATTN: NOFA Q&A  
1520 Market Street, Suite 2000  
St. Louis, MO 63103  
[CDAnofa@stlouis-mo.gov](mailto:CDAnofa@stlouis-mo.gov)

In an effort to provide fair and impartial service, CDA Housing Analysts will not be available to field general inquiries or to offer specific direction during the NOFA period. All questions must be submitted to CDA at the address above, and all answers will be published online at [www.stlouis-mo.gov/cda](http://www.stlouis-mo.gov/cda).